



WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT
Division of Workforce Solutions
Bureau of Partner Services

**TO: Economic Support Supervisors
Economic Support Lead Workers
Training Staff
Child Care Coordinators
W-2 Agencies**

**FROM: Amy Mendel-Clemens
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BPS OPERATIONS MEMO

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Non W-2 ☒ W-2 ☐ CC ☐

PRIORITY: High

**SUBJECT: Food Stamp Overpayment Notice
Requirements When A Fair Hearing is Requested**

CROSS REFERENCE: 7 CFR 273.18 (e) (6) (ii)

EFFECTIVE DATE: APRIL 22, 2002

PURPOSE

This memo announces a fair hearing policy change for the Food Stamp Program, and the corresponding screen changes within the Benefit Recovery Subsystem of CARES.

NOTE: These changes pertain to food stamp overpayment hearings only, NOT tax intercept hearings.

BACKGROUND

Previous policy allowed the State to proceed from the point where it left off in the collection process when a client exercised his or her right to a Fair Hearing through the Division of Hearings and Appeals (DHA) and lost. It was not necessary to re-notify the client of the overpayment after a Fair Hearing decision was issued.

New Federal Regulations state if a hearing official determines that a claim does, in fact, exist against a household, the household must be re-notified of the claim through a repayment agreement. Delinquency then must be based on the date of the Fair Hearing decision and not the original overpayment notice sent to the household.

NEW POLICY

When a client loses a fair hearing through DHA on a Food Stamp claim, he or she will receive a new series of demand letters beginning with the repayment agreement. A new repayment agreement will be generated automatically through CARES, followed by 3 dunning notices and finally, referral to the Central Recoveries Enhanced System (CRES) for tax offset.

If a client has more than one FS claim, and only one claim is subject to a Fair Hearing, the client will still receive a new repayment agreement which includes all the outstanding Food Stamp claims and their current balances.

Benefit Recovery Screen Changes:

BVRI will be modified to include two new fields: A Fair Hearing Decision field (state win/loss); and a Fair Hearing Decision date field. When a Fair Hearing request is filed, a "P" (for pending) will be put in the Fair Hearing Decision field and a "Y" in the Stop Recovery field which will stop collection actions on this claim. These fields will be updated by state staff on a claim-by-claim basis once the Fair Hearing information is available from DHA. Only state workers have access to these fields.

BVPA will be modified to indicate that a claim is in "stop recovery" status. An "S" will appear in the RA column for all claims in stop recovery. This field is automatically updated when the Stop Recovery field is updated on BVRI.

There will be no additional workload or changes for the local agencies. When DHA notifies the Public Assistance Collection Unit of the Fair hearing Decision, these fields will be updated by state staff. If the State wins the Fair Hearing, a "W" will be put in the Fair Hearing Decision field and the date of the decision will be entered in the Decision Date field. The stop recovery field will be changed to "N" which will allow collection actions to begin again on this claim.

CONTACT

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Note: Email contacts are preferred. Thank you.